



1. THE NEW TRUSTEE TRAINING TOOLKIT E-LEARNING PLATFORM FROM THE FSCA
2. SECTION 37C AND UNCLAIMED BENEFITS
3. 3262 EMPLOYERS WITH ARREAR CONTRIBUTIONS - NAMING AND SHAMING BY THE FSCA

1. THE NEW TRUSTEE TRAINING TOOLKIT E-LEARNING PLATFORM FROM THE FSCA

The FSCA has an e-learning online platform and offers free training to Trustees on this platform, called the Trustee Training Toolkit. The platform and training has been revamped and was launched by the FSCA at the end of September 2023.

The Toolkit will be made up of 22 modules going forward. A brand-new set of 11 training modules was introduced on 27 September 2023. (An additional 11 modules will be introduced in March next year). Trustees will need to complete all 22 modules.

Even if a Trustee has already completed the current Toolkit, they must still complete the new modules of the revamped Toolkit.

It is compulsory¹ for all Trustees to complete the Toolkit. The 11 modules released on 27 September 2023 must be completed within six months of 27 September 2023 by Trustees existing at this date. If appointed or elected after 27 September 2023, the Toolkit must be completed by a Trustee within six months of their appointment or election. The Toolkit includes assessments, but there is no pass or fail result.

The content of the updated Toolkit is more comprehensive than the old Toolkit and includes sections on, among other things, governance, contributions, investments, minimum benefits, protection of benefits, types of benefits, fund rules, death benefits and the effect of divorce and maintenance orders.

2. SECTION 37C AND UNCLAIMED BENEFITS

On 14 August 2023, the FSCA issued a DRAFT Interpretation Ruling (IR) for comment. This is not final.

What is an Interpretation Ruling (IR)?

An IR is issued by the FSCA under the Financial Sector Regulation Act to promote clarity, consistency and certainty in the interpretation and application of financial sector laws, in this case section 37C of the Pension Funds Act (the Act).

Once issued by the FSCA, the FSCA must then act in accordance with the IR until a court gives a different interpretation to the relevant legislation, the FSCA changes it or the particular provision of the legislation is done away with.

The existing Interpretation Ruling about section 37C

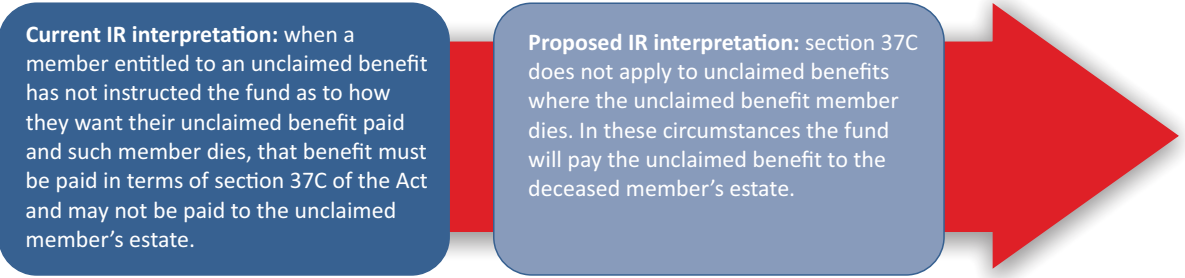
The FSCA published Interpretation Ruling 1 of 2020 (Retirement Fund) which is an interpretation of section 37C of the Act. It took effect on 25 March 2020.

¹ Conduct Standard 4 of 2020 prescribes the minimum skills and training requirements for fund board members. It requires fund board members to complete the FSCA's Trustee Toolkit within six months of being elected or appointed.

Changing its interpretation of section 37C as regards unclaimed benefits

The FSCA believes that it made an error in its interpretation of section 37C about unclaimed benefits.

A change in interpretation for unclaimed benefits



Practical problems

The FSCA states that the current incorrect interpretation has led to unintended consequences. Practically speaking, the error in interpretation gave rise to a large number of section 37C investigations being required for deceased unclaimed benefit members instead of payments to an estate.

Paid-up members and deferred retirees - interpretation stays the same

The remaining provisions of the current IR won't change, for example those related to paid-up members and deferred retirees. Thus, section 37C applies to deferred retirees and paid up members if they die before giving the fund written instructions about what they want done with their benefit.

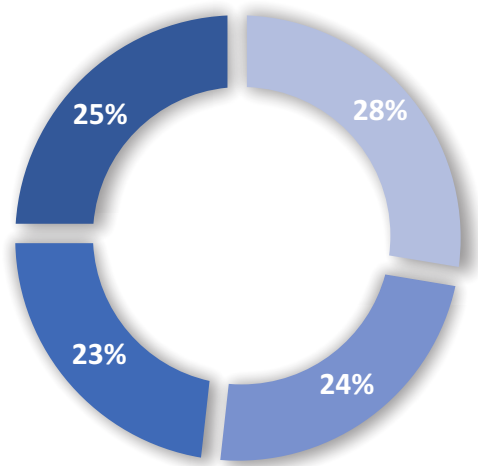
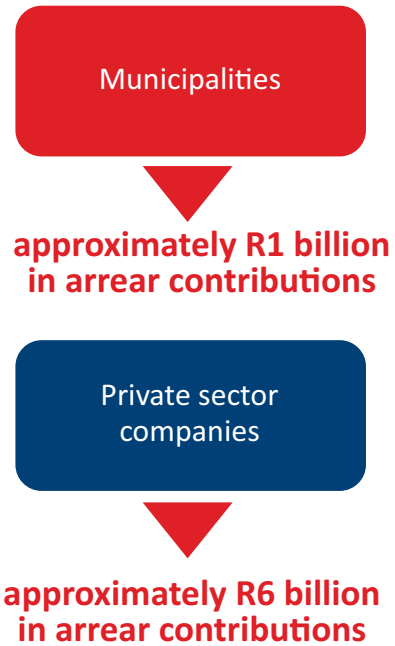
The IR is a draft and may change.

3. 3 262 EMPLOYERS WITH ARREAR CONTRIBUTIONS - NAMING AND SHAMING BY THE FSCA

The FSCA has said previously that it wants to inform members (and other fund stakeholders) of arrear contributions. On 1 September 2023, the FSCA published Communication 21 of 2023 (RF) and a media release including the names of employers (and funds) with arrear contributions.

3 262 employer names were published (with a much smaller list of funds). As at 30 April 2023, the FSCA had received notification of 5430 employer names, but only published the names of employers who have been in arrears for four months or more. The FSCA has stated that it is aware that not all arrear contributions were reported to it and it views this as an act of non-compliance.

The statistics published are as follows:



- contributions outstanding for 1 month
- contributions outstanding for 2 to 12 months
- contributions outstanding for 13 to 60 months
- contributions outstanding for 5 or more years